

Accountability and Oversight

RACE TO THE TOP FISCAL ACCOUNTABILITY AND OVERSIGHT REVIEW

New York

Date of Review: January 22-25, 2013

Race to the Top award: \$696,646,000

Acronyms:

ARRA – American Recovery and Reinvestment Act of 2009

EDGAR – *Education Department* General Administrative Regulations (codified in 34 Code of Federal Regulations, Parts 74 to 86 and 87 to 99)

GEPA – General Education Provisions Act

ISU – Implementation and Support Unit

LEA – Local Educational Agency

Summary of Monitoring Review:

During the Year 3 review, the Department did not identify any new issues or concerns. The Department followed up on issues with sub-recipient monitoring and plans to continue to do so in the Year 4 review.

Summary of Monitoring Indicators

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Critical Element	Requirement	Citation	Results	Page
Allocations to LEAs	The State allocated funds to participating LEAs based on their relative share of funding under Title I, Part A of the Elementary and Secondary Education Act of 1965.	ARRA Section 14003(a)	Met Requirement	
Fiscal Oversight of Race to the Top Funds	The State and sub-recipients used the funds only for allowable activities.	ARRA Sections 14002(b), 14003, 14004, 1604, 1605, and 1606	Met Requirement	
	The State and sub-recipients complied with the principles of cash management (i.e. funds advanced were actually expended).	EDGAR § 80.21	Met Requirement	
	The State and sub-recipients have systems to track and account for Race to the Top funds in place.	EDGAR § 80.20	Met Requirement	
	The State and sub-recipients complied with cross-cutting ARRA requirements (e.g., Section 1512 reporting, Buy American, infrastructure certification).	ARRA Sections 1511, 1512, 1604, 1605, 1606, and 1607	Met Requirement	
	The State and sub-recipients used the funds only during the period of availability (which may include pre-award costs).	ARRA Section 1603 and GEPA 421(b)	Met Requirement	
1511 Certifications (if applicable)	The State certifies that infrastructure investments have received the full review and vetting required by law and accepts responsibility that it is an appropriate use of taxpayer dollars.	ARRA Section 1511	Not Applicable	
Quarterly ARRA Reporting	The State is ensuring compliance with ARRA Section 1512 quarterly reporting regulations.	ARRA Section 1512	Met Requirement	
	The State established clear policies and procedures for compliance with applicable reporting requirements.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided guidance on reporting to LEAs.	ARRA Sections 14008 and 1512	Met Requirement	
	The State provided feedback to LEAs on the data reported.	ARRA Sections 14008 and 1512	Met Requirement	

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Critical Element	Requirement	Citation	Results	Page
Sub-recipient Monitoring	The State has developed a monitoring plan with appropriate policies and procedures to assure compliance with applicable Federal requirements and that the grant performance goals are being achieved throughout the project period.	EDGAR §80.40; Race to the Top grant condition “O”	Issue Pending	4
	The State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring.	EDGAR §80.40; Race to the Top grant condition “O”	Issue Pending	4
	The State has established a reasonable monitoring schedule.	EDGAR §80.40; Race to the Top grant condition “O”	Issue Pending	4
	The State has provided monitoring reports and corrective action follow-up (when available).	EDGAR §80.40; Race to the Top grant condition “O”	Issue Pending	4

Monitoring Report Results

Issue Pending

Critical Element: Sub-recipient monitoring

Requirement and Citation: The State has developed a monitoring plan with appropriate policies and procedures; the State has developed comprehensive monitoring protocols that include programmatic and fiscal monitoring; the State has established a reasonable monitoring schedule; the State has provided monitoring reports and corrective action follow-up (when available). (EDGAR §80.40; Race to the Top grant condition “O.”)

Issue: The Department indicated in the Year 2 Fiscal Accountability and Oversight review that it would follow up during the Year 3 program review regarding the implementation of the State’s monitoring plan. During the Year 3 review, the Department found that, while the State had finalized its Race to the Top sub-recipient monitoring plan that includes data collection/desk audits, comprehensive fiscal audits, and onsite programmatic monitoring, and conducted a risk assessment of participating LEAs, it had only minimal evidence of implementing the components in the sub-recipient monitoring plan.

The Department indicated that the State needed to take corrective action in the form of providing a schedule of programmatic and fiscal monitoring schedule and evidence of implementation by June 30, 2013.

Issue Pending: The State provided evidence of a schedule of onsite programmatic and fiscal monitoring and initial evidence of implementation including scheduling site visits and completing two reports by the end of Year 3. In Year 3, the State also made refinements to its monitoring process, including the risk assessment used to determine entities for review by the Administrative Services Group (ASG) and the Office of Audit Services (OAS). The State provided additional documentation through fall 2013 on progress identifying and scheduling 31 entities to be reviewed between June 2013 and June 2014 based on the updated risk assessment and reported completing eight visits as of October 2013. The State continued to implement routines for oversight with all LEAs including annual final expenditure reports, annual program reports, and quarterly 1512 reports. The State also provided evidence of launching an enhanced quartering reporting site to gather information on sub-recipient and vendor implementation to inform ongoing oversight. The State updated its sub-recipient monitoring plan in December 2013 to reflect refinements to the processes, schedule, and protocols used for programmatic and fiscal oversight and monitoring.¹

The Department will review the State’s implementation of its programmatic and fiscal monitoring of LEAs and vendors during the Year 4 program review onsite visit.

¹ Available at <http://www2.ed.gov/programs/racetothetop/resources.html>.